

**REMARKS**

**Allowable Subject Matter – Claims 3-17 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.**

5           The applicant thanks the Examiner for the allowable subject matter.

**Claims 1 and 19-22 are rejected under 35 USC 103a as being unpatentable over Joch et al. (US 7,227,901) in view of Kondo et al. (US 6,748,113).**

10           Applicant has amended independent claim 1 to claim “determining a region mode to be one of active region, smooth region, or dormant region for the block boundary according to the activity value” (claim 1 - emphasis on newly added portion shown in underline). No new matter is entered. For example, allowable claim 3 contains said newly added features.

15           Applicant asserts that currently amended claim 1 should be found allowable with respect to the cited reference of Joch et al. for at least the reason that Joch et al. do not teach or suggest each and every feature as claimed in claim 1. In particular, applicant asserts that Joch et al. do not teach determining the region mode to be one of active region, smooth region, or dormant region according to the activity value. Further, Examiner states that Joch et al. discloses “determining a region mode according to the activity value” in steps 116 and 120 of fig. 5 in the Office action 10/02/2007. However, the applicant respectfully points out that said  
20 steps as taught by Joch et al. means determining whether the activity on the line is below threshold and whether the macroblocks are intra-coded, which is not equivalent to “determining a **region mode** for the block boundary according to the activity value”. It is therefore also not possible that Joch et al. teach “determining a **region mode** to be one of active region, smooth region, or dormant region”. For at least these reasons, applicant asserts  
25 that claim 1 should also be found allowable. Claims 2 and 19-22 are dependent upon currently amended claim 1 and should therefore be found allowable for at least the same reasons. Reconsideration of claims 1-2, and 19-22 is respectfully requested.

**Claim 2 is rejected under 35 USC 103a as being unpatentable over Joch et al. (US 7,227,901) in view of Kondo et al. (US 6,748,113) as applied to claim 1, and further in view of Ameres et al. (US 7,027,654).**

5       As previously mentioned, claim 2 is dependent upon base claim 1, which is believed by applicant to be allowable for at least the above-stated reasons. Claim 2 should therefore be allowable for at least the same reasons as the base claim 1. Reconsideration of claim 2 is respectfully requested.

10   **Claim 18 is rejected under 35 USC 103a as being unpatentable over Joch et al. (US 7,227,901) in view of Kondo et al. (US 6,748,113) as applied to claim 1, and further in view of Hsu et al. (US 2005/0013497).**

15       As previously mentioned, claim 18 is dependent upon base claim 1, which is believed by applicant to be allowable for at least the above-stated reasons. Claim 18 should therefore be allowable for at least the same reasons as the base claim 1. Reconsideration of claim 18 is respectfully requested.

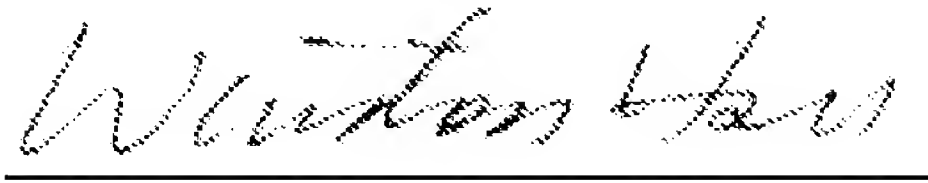
**Conclusion:**

20       Thus, all pending claims are submitted to be in condition for allowance with respect to the cited art for at least the reasons presented above. The Examiner is encouraged to telephone the undersigned if there are informalities that can be resolved in a phone conversation, or if the Examiner has any ideas or suggestions for further advancing the prosecution of this case.

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Appl. No. 10/709,338  
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Reply to Office action of October 02, 2007

Sincerely yours,



Date: 12.05.2007

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- 10 Note: Please leave a message in my voice mail if you need to talk to me. (The time in D.C. is 13 hours behind the Taiwan time, i.e. 9 AM in D.C. = 10 PM in Taiwan.)